

Modernization as a Process of Change Management in Organization

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Abstract - Modernization as a process of change management has been considered. The factors on macro and micro levels that have influence on this process have been defined. Also the stages of modernization as a change management process have been formed and explained. The facilitators of this process are identified and the approaches that help to make this process easier have been proposed.

Key words – modernization, change management process, facilitators, organization change theory.

I. Introduction

In these highly competitive days to make business success means continuously improve your organization. Modernization is the main part of organizational development. When organizations fail to reach their full potential it is not due to poor strategy, but through poor execution of modernization. In this article modernization is considered as a form of change management process. Change ability means survival. To run the modernization process means instruct what has to be done to manage a change project from start to finish. It describes every step in the life cycle in depth and exactly which tasks to complete, when and how. Whether an expert or a novice, it helps the individual complete tasks faster and more accurately than before.

Modernization process is about reviewing and modifying management structures and business processes. There are different levels of changes: from small modifications in a product to something more significant (to share business on new markets). The size of modernization process depends on the investments opportunities of the organization. One should, however, not forget that regardless of size modernization process must consider the desired outcome of a project and have a measurable outcome in business terms.

II. Factors forcing modernization in an organization

Let us start by considering the factors that may cause modernization changes in an organization. These factors could be divided on 2 groups: the factors on macro level and on micro level.

Macro-economic factors include: world global tendencies, world economic and social tendencies, ecological orientation and corporative politics. The number of customers is growing rapidly, the composition of consumer segments is also changing. The consumer

demand is becoming wider and more diversified. New communication opportunities are changing people life style and the ways of people interrupting. There are also big changes on the market of workforce. New forms of doing business such as outsourcing, outcrafting, virtual collaboration are becoming more popular and would not be possible without high-speed communications and the Internet.

The role of global business, international corporations is increasing in every country. The annual turnover of some transnational companies is like budgets of whole countries. The entrance of a new competitor into a market can cause a business to change its marketing strategy. The assets to the global information are changing the knowledge economy. Management from the art is turning into science. Mathematical models can justify decisions of management.

The other big problem of our future concerns needs in natural resources, because the press on natural environmental is being grown.

The factors on micro level that concern modernization processes are related to the internal architecture of the organization. John Crawford calls these factors “the facilitators for successful change” [1]. He select these facilitators in five categories: 1) ability (capabilities, competencies); 2) people (manager, leader, culture); 3) change framework (architectures, change principles, change methodology); 4) change desire (clear scope, achievable outcome, achievable benefits); 5) inhibitors (understood risks).

One should note here that in the center of any modernization process is a person. Organizations don't change; people change and then they change the organization. First and foremost the organization's executives must understand the importance of modernization as a necessary thing for getting competitive advantages in long-term period of time. Moreover, leadership competences for managers are very important. It means that the manager who is responsible for the process of change have to combine cognitive, functional, social and professional competences. Problem solving capabilities and analytical skills must be combined with team working and stress management capabilities. The him/her role in increase in productivity and employees satisfaction is huge.

III. Organization modernization process and organization change theory

The system of modernization process management change should include the management of the hall process from start to finish and the management of the general issues. There are different types of organizational modernization that lead to structural, strategic, people or process changes. But in this article we would like to focus on the modernization of the process. Modernization is a term used to describe actions taken by a company in order to improve efficiency or the quality of products or services. Process changes are usually attempt to improve overall workflow efficiency and productivity. The size of modernization depends on the investment opportunities of

the company on the size of risks that organization is ready to take. The bigger modernization changes lead to increasing the risks of its implementation.

A structured change management methodology shows how to analyze the organization, design the change, implement it, and monitor progress until it becomes the natural way of conducting business. A configuration management strategy document must be created as part of planning and this defines the way in which changes and issues are to be managed and handled throughout the project.

H. S. Resnick identifies 10 steps of the Change Management Methodology [2]: 1. Confirming the compelling need to change; 2. Identifying the boundary conditions; 3. Creating the vision of the desired end state; 4. Developing the core work processes; 5. Defining key roles and responsibilities; 6. Modifying the organizational structure; 7. Establishing the key performance measures; 8. Reviewing system-wide tools; 9. Develop training that enables performance; 10. Aligning the reward systems.

H. S. Resnick also mentions that managing the process of change is essential to successful implementation. Success will be based on two major factors: a defined process to guide the change and an assigned Change Leadership Team.

The main points in eight-step change model proposed by J. Kotter [3] are create a sense of urgency, recruit powerful change leaders, build a vision and effectively communicate it, remove obstacles, create quick wins, and build on your momentum. If you do these things, you can help make the change part of your organizational culture. That's when you can declare a true victory, than sit back and enjoy the change that you envisioned so long ago.

There are also many different methodologies that help to make a modernization process in organization successful: Total Quality Management, Kurt Lewin's Change Model, McKinsey 7-S, Six Sigma, lean production, good to great, Capability Maturity Model Integration, learning organizations etc. The most difficult task for organization's executives is to select the package of tools and instruments that would be useful for their company. And after that it is possible to research and learn deeply some of these methodologies.

Due to the theory of K. Lewin's wide variety of forces arise from the way an organization operates, from its structure, culture and control systems that make it resistant to change. At the same time a wide variety of forces arise from changing tasks and general environments that push organizations toward change. These two sets of forces are always in opposition in an organization. For an organization to change, managers must find ways to increase the forces for change, decrease the resistance of change or do both at the same time.

IV. Approaches to make the process of modernization easier and successful

Research shows that there are some reasons that cause the failure the management of the modernization process.

Firstly, it is lack of understanding of the top management that the process of changes could be successful only with the greatest determination, discipline, persistence, commitment and a clear plan for implementing the change. Secondly, organizational change efforts often run into some form of human resistance. People are usually afraid of change and treat them with caution. Also, third reason is poor adaptation strategy of changes to the situations that arise in the process of implementing changes.

To lead change successfully, J. P. Kotter and L. A. Schlesinger [4] recommend firstly, diagnosing the types of resistance you will encounter - and tailoring your countermeasures accordingly and then adapting your change strategy to the situation. The availability to predict kind and size of resistance and to combine different strategies for reduce the resistance is very important skills of successful manager.

Conclusion

Modernization of the organization is the result of the process of change management. This process is very complex and is influenced by many factors in the macro and micro levels. The main parts of the process of change management are design and implementation the Change Management Methodology, which includes the phases of origin need to modernization to the measurement results, improvements and modifications of change. In modern science and practice there are many instruments through which you can implement this Change Management Methodology. The most important factor that hinders the successful change management process is the emergence of different types of resistance in employees. A key task of a manager is to identify these types of resistance, diagnostic it and applying appropriate strategies to minimize them.

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